



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

August 3, 2012

The Honorable Kay Granger  
Member, U.S. House of Representatives  
1701 River Run, Suite 407  
Fort Worth, Texas 76107

Dear Representative Granger:

Thank you for your follow-up inquiry on behalf of Dr. Sergio Zambrano regarding a U.S. Small Business Administration (SBA) guaranteed loan made to his business Campestre Inc. (CI).

We have received and reviewed Mr. St Clair Newbern, counsel to Dr. Zambrano, July 31, 2012, letter in which he is advocating for a private sale of the collateral vs. an auction. Mr. Newbern continues to advocate for the use of his clients broker rather than one hired by the lender. Additionally, he confirmed the lender's concern about the unauthorized removal of the collateral.

With respect to the sale method, in our July 20, 2012, response, SBA agreed that a combined sale of both the real property and the chattels by the best and most experienced sales agent made sense to us but there were legal and logistic hurdles that needed to be worked out to accomplish this. This loan is one of two loans to Dr. Zambrano but only the loan in question is guaranteed by SBA. This loan is collateralized by the restaurant equipment that was removed as well as a first mortgage on a medical office building in Cleburne, Texas. The lender had a non-SBA loan secured by the restaurant real property that has been foreclosed and is now owned by the lender. With regard Dr. Zambrano's request that the lender use a broker of his choosing, it appears that the lender has agreed and hired the broker to assist with the sale.

However, with regard to the chattels, the venue and method of sale is yet to be determined. The most glaring and immediate problem is that the equipment is no longer on the premises so its disposal may be problematic. However if the chattels are returned for the purpose of a joint unified sale attempt, then SBA would welcome such a prospect. If the proceeds are received from the eventual disposal of the chattels and this fails to repay the loan in full, the lender may still recovery any deficiency balance

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through additional collateral or other means. We urge Dr. Zambrano to work with the lender on an equitable settlement of this debt.

We appreciate your support of the SBA and the Texas small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John A. Miller

Director

Office of Financial Program Operations

cc: Dana Relyea, SBA National Guaranty Purchase Center